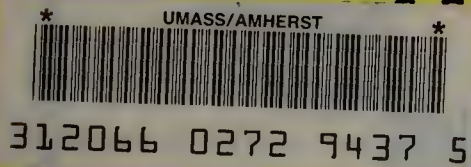


MASS. AF19.6:991

FY91 OPENING INSTRUCTIONS

OFFICE OF THE COMPTROLLER



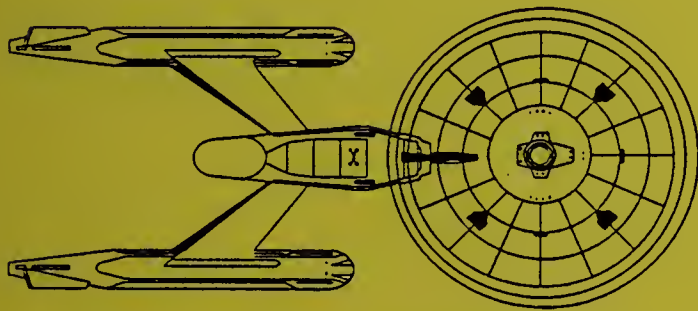
THE DEPARTMENTS OF THE COMMONWEALTH
JOURNEY TOWARD THE FINAL FRONTIER:
OPENING MMARS FY91



802 Private Spaceship Mileage



G05 Rocket Fuel



USS: FY91 OBJECT CODES



Mercury



Venus



Moon



PHOBOS



LUNA



MMARS



Earth



J28 Messenger Service to the Moon



L04 Motorized Lunar Vehicles
(Lease-Purchase)



H29 Space Planners

CLASSIFYING EXPENSES
LIKE
NO ONE HAS DONE BEFORE

902/445

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SECTION 1: OPENING FY 91/NEW FEATURES

OPENING FY 91

FY 91 represents the fifth year of MMARS. Each year the system has been enhanced to make MMARS a better tool for managers and enhance financial management. Many new features are being introduced in FY 91. These include the Expenditure Classification, the capital construction contract (CC) transaction, an update to the Internal Control Guide, the new Department of Procurement and General Services, the standardization of contracts and leases, PARIS and others. Departments are encouraged to read these Opening Instructions to get information regarding these new developments as well as updates or processing transactions in FY 91. Departments may begin encumbering on Friday May 11, 1990. Please refer to Appendix A for the KEY DATES. A list of resource and assistance persons in the Office of the Comptroller can be found in Appendix B.

NEW FEATURES

EXPENDITURE CLASSIFICATION

The Office of the Comptroller has developed a new Expenditure Classification Plan for implementation in FY 91 as authorized by M.G.L. Ch.29, §27 and Ch.8, §14 which has been approved by the House and Senate Ways and Means Committees. This classification is the method by which the Commonwealth categorizes expenditures using subsidiaries and object codes. This office issued the Expenditure Classification Handbook in mid-February. The handbook describes the following for each new object code:

- functional description of the expenditure
- primary legal authority
- oversight departments
- type of underlying agreement documents (if any)
- MMARS encumbering and payment transactions
- tax reporting implications (if any)
- comments

This is a major change in the classification of expenditures that will provide the Commonwealth with more relevant and accurate information. Departments will be required to process their FY 91 encumbering documents using the new object code classification procedures outlined in the Expenditure Classification Handbook.

Training regarding these new object codes is occurring during April. Please refer to the Expenditure Classification Handbook for more detailed information. If departments have questions regarding the new subsidiaries and object codes, they should call Brian Turnbull, ext. 237, or the Procurement Unit staff.

NOTE: Departments are reminded that subsidiaries and object codes used in FY 90 should be used to close FY 90 business.

MULTIYEAR CONTRACTING FOR CONSTRUCTION-(CC TRANSACTION)

FY 91 will introduce the CC and CM transactions for Capital Construction Contracts. These new transactions will apply to bond-funded appropriations only. These are "type 02" appropriations on the ASTA file. The objectives of the CC and CM transactions are to:

- o protect the total obligation of the contract over the life of the contract;
- o use the same document ID and line numbers in MMARS over the life of the contract;

- o automate the generation of yearly encumbrance amount;
- o eliminate the need for manual GAAP reporting.

This will allow MMARS to keep track of planned obligations and spending in future fiscal years. Watch for MMARS Memos and read the MMARS News for additional information.

INTERNAL CONTROLS

In March of 1989 the Office of the Comptroller introduced the first update to the Internal Control Guide for Departments. This guide was presented to departments during a training session featuring "What's New in Internal Controls." This session was hosted by the Office of the Comptroller, the Office of the State Auditor, and the accounting firm of Deloitte & Touche.

Some of the key aspects of this session were the discussions of recently passed legislation regarding mandatory written internal control plans, changes in auditing standards, the policy on revenue refunds, and security in an increasingly automated environment.

Copies of the Guide and handouts on the above mentioned topics can be obtained by calling the Office of the Comptroller's Quality Assurance Unit at 727-5000 ext. 286 or ext. 292.

POLICY AND PROCEDURES MANUAL FOR PMIS

The Office of the Comptroller is coordinating a project to publish an updated Policies and Procedures Manual for PMIS during FY 91, which will address all payroll and personnel issues for departments paid through PMIS. In June, those sections that are completed will be issued. The entire manual is scheduled for completion by December 1990.

DEPARTMENT OF PROCUREMENT AND GENERAL SERVICES

On January 4, 1990, a law was enacted which reorganized and consolidated four Administration and Finance procurement and service rendering agencies into a single department, Department of Procurement and General Services (PGS), in order to eliminate administrative overhead, duplicity of effort and to combine different but compatible purchasing methods. The departments that were affected are the Office of Management Information Systems' Bureau of Systems Policy and Planning (BSPP), the Motor Vehicle Management Bureau (MVM), the Office of Telecommunications (TEL), and the Purchasing Agent's Division (PAD).

The mission of PGS is to provide for the most cost effective competitive procurement of goods and services required by the various departments of the Commonwealth and to develop and maintain modern systems for rendering operational support services consistent with all appropriate laws, regulations, policies and procedures.

PURCHASED CLIENT/PROGRAM SERVICES REGULATIONS

The regulations, 801 CMR 25.00, governing Purchased Client/ Program Services (Subsidiary MM) are being revised to accommodate the new Expenditure Classification Plan. The revised regulations will be effective May 1, 1990 for object codes M01, M03 through M06, and M08.

STANDARDIZATION OF CONTRACTS AND LEASES

The following list is an inventory of fifteen form contracts that are currently required by oversight departments.

Standardized Contracts FY 1990

Oversight Department

1.	Service Contract - Individual	(I) Ch.29 Sec.29A	ANF
2.	Service Contract - Partnership	(P) Ch.29 Sec.29A	ANF
3.	Service Contract - Corporation	(C) Ch.29 Sec.29A	ANF
4.	Service Contract - Research	(R) Ch.29 Sec.29A	ANF
5.	Master Service Agreement		PGS
6.	Purchase of Service - Master Agreement		ANF
7.	Purchase of Service - Contract (non-individual)		ANF
8.	Client Transportation Contract		EHS
9.	Department of Capital Planning - Space Lease		DCP
10.	Telecommunications Contract		PGS
11.	Tax Exempt Lease Purchase (TELP)		MIS
	Essential Use/Acceptance Certificate		
12.	Data Processing Service Contract - Individual (I)		PGS
13.	Data Processing Service Contract - Corporation (C)		PGS
14.	Data Processing Equipment Contract		PGS
15.	Commodity Purchase Contract		PGS

The following form contracts will be introduced in FY 91. These documents should be used as the underlying documentation to support "SC" and "LO" transactions that are not supported by the above mentioned form contracts.

New For FY 91

Oversight Department

16.	Purchase of Services (Individuals)	ANF
17.	Equipment Lease	PGS
18.	Lease/Purchase for Equipment (Non-TELP)	PGS
19.	Standard Terms and Conditions of the Commonwealth	CTR

Section II of the Expenditure Classification Handbook is being updated to indicate which form contract to use for each object code requiring an SC or LO.

OUT-YEAR OBLIGATION FOR MULTI/CROSS FISCAL YEAR LEASES

The LO transaction was modified in FY 90 to allow departments to create multi/cross fiscal year leases that could roll into approved leases for FY 91 and subsequent fiscal years. This modification supports automated GAAP reporting.

In FY 91 departments with multi/cross fiscal year leases will be required to complete future year lines for each fiscal year of the lease. The years (YRS) field must also be completed. This should indicate the particular year of the lease reflected by the terms of agreement. Refer to the section CREATION OF FY 91 MULTI/CROSS FISCAL YEAR LEASES for more information. Multi/cross fiscal year LOs at Pend 5 that do not comply with this requirement will be returned to departments for correction.

LEASE TYPE AND VENDOR TYPE

Departments should be aware that both the lease type table (LTYP) and the vendor type table (VTYP) will be changed in FY 91 to provide more consistent information regarding lease type and vendors. See Section 5 (Encumbrance Management) for further explanation.

BASELINE CORE

In late April 1990, an updated version of Core Software will be installed in MMARS. This installation will minimally change the way MMARS works. The Office of the Comptroller will be issuing a new MMARS Command Card that will outline any new functionality within MMARS. We will also be offering drop-in training sessions for those departments that feel they would benefit from such training. Please look for a mailing to MMARS Liaisons during the month of April, 1990.

PARIS

PARIS is the name of the new personnel information database and reporting system which will be available during the second quarter of FY 91. There will be a phased approach to design and implementation of PARIS, with highest priority and achievable data being available in the beginning phases. The plan calls for the quantity and scope of data to steadily expand during the first six months. The ability to analyze data will also evolve during the first year of operations with simple inquiries, sorts, and summaries being available in the early stages. More sophisticated data analysis and query will become available as the system matures.

On June 30, 1990 a test database with at least three months of historical data will be extracted from PMIS and CAPS for regular employees, (contractors are scheduled to be available in PARIS by September 30, 1990). During the first quarter of implementation, PARIS will support ANF with on-line inquiry as well as basic calculation and summary reporting. PARIS will be made available to operating Departments after the system has been tested sometime during or after September, 1990.

The plan calls for standard and on-request reports with additional user controlled ad-hoc report capabilities to be installed during the second quarter of implementation. PARIS will provide enhanced data access and reporting capabilities in FY 91.

FIXED ASSET

The Office of the Comptroller will be implementing a fixed asset subsystem of MMARS for FY 91. This subsystem is designed to assist department managers in the recording of land, buildings, equipment, vehicle, data processing equipment and other assets that meet the criteria outlined in the new Comptroller's Policy which will be issued this spring.

In addition to the obvious benefit of centralized fixed asset data, this will also assist in the preparation of the Comprehensive Annual Financial Report (CAFR) and manual GAAP reporting. Departments will be advised of the data collection effort necessary to implement this system shortly.

These are the highlights for FY 91. Please read all sections of the Opening Instructions to ensure a smooth transition to FY 91.

SECTION 2: FY 91 OPEN FOR BUSINESS

On May 3, 1990 reference and financial tables will roll into FY 91. Departments should review their Chart of Accounts (organization codes) and optional features (expense budgets, program codes, sub-organization codes, etc.) to determine if the current structure is meeting the department's needs. Departments have the opportunity to modify department defined tables (such as ORGN, SORG, etc.) or request modification to table such as FDEP after the tables have been rolled. On May 10, 1990 dollar amounts based on FY 91 House 1 will be loaded as provisional obligation ceilings. On Friday, May 11, 1990 FY 91 will be open to allow departments to begin to pre-encumber and encumber. Some key areas that departments should review prior to processing pre-encumbrances and encumbrances are discussed below.

DIMENSIONS CONTROLLED AND DEFINED BY CONTROL DEPARTMENTS

Certain tables are controlled by Office of the Comptroller, Budget Bureau, and the Department of Procurement and General Services. These tables include Reporting Category, ASTA, Price Agreement, etc. They will be updated and rolled from FY 90 to FY 91 by the control departments. The Budget Bureau (FAD) will monitor the roll of the FY 91 ASTA table on May 3, 1990, and will subsequently create FY 91 ASTA records as needed to reflect general and supplemental appropriation language that creates new accounts or reappropriates funds for FY 91 (Prior Appropriation Continued, or PAC).

In reviewing the ASTA tables that are rolled, departments should verify that the information relating to appropriations is brought forward correctly. For continuing accounts, an FY 91 ASTA is needed to allow balances to be brought forward. The balance forward program is planned to begin in early July once the budget is passed. Watch MMARS News for exact dates. The MY indicator on the FY 90 ASTA table should equal "Y" (to indicate multi-year appropriation) or "X" (to indicate an expiring account re-appropriated, or PAC'd) to ensure the FY 90 balance goes forward to FY 91. A "P" in option 2 on the ASTA table would indicate partial balance forward only, because a re-appropriation is limited to a specific maximum amount.

APR1/APR2

Dollar amounts based on House 1 will be loaded on May 10, 1990 and will create provisional obligation ceilings for account types 01 and 04. For account types 02 and 03 the obligation ceiling remains at zero until the balance forward program begins, however, appropriations are set at presence control to allow for encumbering activity. Departments should review the amount loaded and contact their budget analyst if they believe an adjustment is needed.

In account types 01 and 02, the AC is used to allocate funds from an appropriation account (parent) to an allocation account (child). This AC transaction creates the Obligation Ceiling and may create an Expenditure Ceiling, if the allotment indicator is "Y". In certain cases departments may have to request an allotment of funds after they receive their allocation, generally in type 02 accounts.

The obligation ceiling for federal grant allocation accounts (type 04) are established from information submitted with the parent account spending plan. In situations where the allocation account is without an obligation ceiling, parent departments should process an AC for estimated receipts immediately. In order for the allocation account to expend funds, a modifying cash receipt should be done by the parent.

FEDERAL GRANTS

Departments are reminded of MMARS memo #79 which requires departments to submit proper documentation to the Comptroller for all continuing federal grants. While the opening of FY 91 is, in reality, the final quarter of the federal fiscal year, departments will begin receiving federal award letters late in the summer and early fall. Award letters for federal year 1991 should be forwarded to the Office of the Comptroller clearly marked with the department name and appropriation. Refer to MMARS memo #79 or contact Sandra Greig (ext. 238) of the Comptroller's Accounting Bureau if there are questions.

ORGANIZATION

One of the key data elements used by all departments is the organization code. FY 91 presents an opportunity to review the codes and introduce new ones to assist management in the budgetary and fiscal operations of their departments. Major revision of organization codes can reduce the ability to compare data across fiscal years if organizations are eliminated. However, it may be appropriate when the existing structure does not meet management needs. Departments may enter additions or changes directly to the table. Deletions to the table are made by the Office of the Comptroller upon receipt of a completed Table Change Request Form (Appendix C). Also, the organization name and telephone number is printed on check stubs as derived from the accounting line of the Payment Voucher (PV) and should be meaningful to the vendor. The form used to update telephone numbers that relate to new or changed organization codes with the Office of the State Treasurer can be found in Appendix D. Departments which are not adding or changing organization codes are not required to resubmit this form.

Since organization codes are a required component of the Document ID, it is critical that your organization structure be defined and entered on MMARS before FY 91 encumbering activity occurs. FY 90 Organization Codes will be brought forward into FY 91 with the Reference Table Roll on May 3, 1990.

PROGRAM

The program dimension provides the ability to report financial data that ties to major functions of government. Because programs can exist in multiple departments, these codes are unique statewide and defined by each Secretariat. Modifications of existing program codes in FY 91 must be approved by the Secretariat and forwarded to the Office of the Comptroller for actual table updating. FY 90 Program Codes will be brought forward into FY 91 with the Reference Table Roll on May 3, 1990.

EXPENSE BUDGETS

Expense budgets are used by management to track and/or control financial resources within the department. Expense budgets can be established for the following attributes or any combination thereof: organization code, program code and object code. Prior to processing expense budgets, FDEP tables and other applicable tables must be updated. Expense budgets do not roll; it is the department's responsibility to ensure that they are done on time. Expense budgets must be in a DONE status prior to any pre-encumbering and encumbering. If you have used Expense Budgets in prior years once the tables have rolled for the new fiscal year, review all applicable tables; FDEP, ASUP, etc. to verify that they have rolled correctly. Changes to FDEP and ASUP tables will be made by the Office of the Comptroller upon receipt of a completed Table Change Request Form (Appendix C). Maggie Trudel of the Procurement Unit, 727-5000, Ext. 245, can assist you with questions concerning expense budgets.

OTHER DEPARTMENT DEFINED DIMENSIONS

The following tables/attributes are defined and input by departments:

- o Sub-Organization
- o Sub-object (will need to be redefined in FY 91)
- o Sub-revenue source
- o Client
- o Project

If any of these attributes will be used in FY 91, their values must be input BEFORE the codes can be used on pre-encumbering and encumbering transactions. Existing data in FY 90 tables will be brought forward into FY 91 when the table roll occurs on May 3, 1990. (Sub-object table (SOBJ) does not roll from one fiscal year to another). Two sets of reference tables will exist in MMARS: one for FY 90 and one for FY 91. You should review all modifications to department controlled tables to assure that the department defined dimensions are input on the FY 91 table. Departments enter additions or changes directly to the table. Deletions to the table are made by the Office of the Comptroller upon receipt of a completed Table Change Request Form

FDEP CONTROLS

The purpose of the FDEP table is to allow CTR to set appropriation and allotment control, and allow for expense budget options for department appropriations. Departments can require that expense budgets be used for one or more Funds used by them. Departments can also require the coding of program codes even if full expense budgeting is not implemented. Consideration should be given to whether use of this feature would generate meaningful management data or whether the work exceeds the expected benefits. Requiring that program data be coded means that every pre-encumbrance, encumbrance, and expenditure transaction, including payroll charges, must include a valid program code to be accepted by the system. Requests for changes to FDEP controls for FY 91 Expense Budgets should be done by mid MAY, prior to pre-encumbering and encumbering.

PROCESSING TRANSACTIONS FOR TWO FISCAL YEARS

A required data element of each MMARS transaction is budget fiscal year as well as accounting period. This data is derived from the date recorded on each transaction. Because MMARS is capable of processing two fiscal years at once, it is critical that transactions processed during transition months clearly define the fiscal year to be charged. All FY 91 encumbrances processed before July 1, 1990 should list an accounting period of "01 91" and a budget fiscal year of 91.

The document identification number uniquely identifies each transaction entered into MMARS regardless of fiscal year. To differentiate between two fiscal years, the first digit after the org code in the document ID must be "1" (one) to designate FY 91 transaction and "0" (zero) to indicate FY 90, for all transactions.

The implementation of the new Expenditure Classification Plan will affect FY 91 business only. FY 90 business including accounts payable will continue to use the existing subsidiaries and object codes.

REPORTS: Departments should remember that Budget Fiscal Year Reports are generated and distributed through PHOBOS for both Budget Fiscal Years (BFY) when two BFY's are open. The upper right hand corner of each report page identifies the BFY of the data being reported.

PHOBOS packets will contain BFY 90 data and BFY 91 data "back to back" for each RPT code. Special attention should be given to bursting and distribution of PHOBOS packets once FY 91 is open for encumbering. Transactions involved with the FY 90 Accounts Payable Period will affect only BFY 90 reports, even though the payment has been entered during FY 91.

SECTION 3: DOCUMENT PROCESSING: FROM BEGINNING TO END

THE MMARS DOCUMENT APPROVAL STEPS

To ensure the accurate and timely processing of a MMARS transaction, a set of procedures needs to be followed. The approval procedure includes:

- (1) Obtaining Proper Signature Authority (filed with the Comptroller each fiscal year);
- (2) Completion of the MMARS transaction form(s), including all required fields and the three signature lines;
- (3) Attaching proper backup documentation to the MMARS form(s);
- (4) Forwarding the original(s) to the appropriate control departments for approvals;
- (5) Managing the Suspense (SUSF) file on an ongoing basis to expedite document processing and focus attention on those transactions which are being delayed; and
- (6) Filing approved documents in compliance with the Records Management policy.

PRESENTATION OF DOCUMENTS FOR APPROVAL

The completion of transaction documentation and packaging of the documentation for submission to a Control Department (i.e. CTR, FAD, PGS, Secretariats, etc.) for their review and approval is one key element of the opening process where departments have direct control. We recommend that department managers review the supporting documentation requirements for transaction approvals and provide their fiscal staff with clear instructions on the preparation of such documents. Complete documentation will allow the review and approval process to be conducted in a timely manner.

Guidelines for the transaction documentation requirements can be found in the MMARS Procedures Manual, EPS Manual, other approval authority procedural memos, and various Commonwealth of Massachusetts Regulations (CMR's).

SIGNATURE AUTHORIZATION

The Legislature appropriates funds to the head of each department. The department head is personally charged by law with the responsibility for the use of these funds regardless of whether (s)he actually signs the encumbrance or expenditure document. The Comptroller's Signature Authorization Policy provides a formal delegation procedure to assure only authorized commitment and expenditure of funds.

A Signature Authorization Master List must be on file with the Office of the Comptroller containing the actual signatures of both the appointing authority (Department Head) and individuals who have been delegated signature authority. This chain of authority represents a major internal control and provides the audit trail of fiscal responsibility. This commitment to proper authorization controls was strengthened this year by Chapter 647 of the Acts of 1989 (Internal Controls Act), Part C.

As outlined in the Comptroller's Policy and Procedures manuals and MMARS Memo #116, all MMARS documents must be signed by the appointing authority or an individual who has been designated signature authority. All documents must contain an ink authorized signature (not facsimile; not initials; not a typed signature). Entering documents on-line does not exempt a department from obtaining proper authorizing signatures.

Changes in signature authority should be communicated to the Comptroller's Resource Administration Unit in a timely manner and should include:

- (a) The scope of delegated signature authority
- (b) Any pertinent restrictions (dollar limit or organization restrictions)

(c) Effective date of delegation

It is an important part of each Department's Internal Control procedures to review the status of authorized signature letters.

Department Heads must notify the Office of the Comptroller in writing at least once annually, using the forms provided in MMARS Memo #116, of signature authorizations & immediately upon terminations and personnel transfers which necessitate changes to such authorizations. The requirements for this notification are outlined in MMARS Memo #116, dated October 22, 1989.

VENDOR FILE ADMINISTRATION

The Vendor file (VEND) is of special interest in the area of internal controls. The submission of VU documents is a key control point for the possible introduction of inconsistent transactions into the system. Without proper signature authority and supporting documentation, payment vouchers may be paid to non-existent vendors or valid payments may be routed to incorrect addresses.

For these reasons the Vendor Administration Unit will require the following for all VU documents:

- (1) All VU's must contain an ink authorized signature (not facsimile; not initials; not a typed signature). If a duplicate VU is submitted, such in the case of a VU which was lost in mail, the duplicate form (i.e. photocopy) must contain an ink authorized signature.
- (2) No FAX documents will be accepted for VU modifications or requests for additional listings.
- (3) An original (ink signature) letter on letterhead from the vendor is required with requests for additional listings.
- (4) A governmental entity (i.e. City of Boston or County of Worcester) can have only one vendor code and no additional listings.

Failure to observe any of these steps will result in the return (and delay) of your department's VU transaction.

MISCELLANEOUS VENDOR CODES

As a result of a lengthy and in depth post-audit of the uses of miscellaneous vendor codes and program vendor codes, the Office of the Comptroller will be deactivating and/or restricting the use of a number of miscellaneous vendor codes in FY 91. The Pre-Audit/Payment Unit will further increase its efforts in the areas of pre-audit and post-audit of these types of vendor codes in FY 91 to ensure compliance with existing policies and procedures. Additionally, the requests for issuance of these codes will be subject to increased scrutiny and review in FY 91.

1099 PROCESSING

Another matter related to Vendor File Administration is 1099-MISC generation. Make sure your VU documents correctly reflect the appropriate taxation status of the vendor. If the taxation indicator should be set to "N" for an individual, such as in the case of a foster parent or organ transplant recipient, please indicate this information on the VU document. Check approved VU's to see that the tax indicator has been set correctly. This decreases the necessity of amending 1099 tax forms next winter.

If your department issues its own 1099 tax reports, please remember that the correct clearing house for 1099's is the Office of the State Treasurer. Each additional tax report (individual 1099) filed directly with the IRS results in a fifty dollar fine levied against the Commonwealth (up to a maximum limit of two hundred and fifty thousand dollars). If you have any questions related to 1099 processing, contact Kerry Anderson (617) 727-5000, ext. 355.

SUSPENSE FILE MANAGEMENT

Management of the suspense file is an important component of your internal control system. Ongoing monitoring helps departments expedite document processing by focusing attention on those transactions which are being delayed.

The Suspense file takes on special significance during the last few months of FY 90 when the size is increased by FY 91 encumbrance transactions. All FY 90 rejected documents should be cleared from SUSF by May 15, 1990. Rejected FY 90 documents appearing after May 15, 1990 should be dealt with on a daily basis.

The assigned Suspense File Manager for each department should utilize RPT 335A on a weekly basis to monitor unprocessed transactions.

FY 90 encumbrance transactions in reject status or PEND 5 status on June 30, 1990, cannot legally be processed after that date because the fiscal year has ended and the authority to obligate funds has expired, except for the payment of Accounts Payable. Please refer to the Closing Instructions for more information.

Keep in mind that after two months in a rejected or pend status transactions are purged, that is, erased and entirely removed from the system (except for IV, PR, TR and WC).

RECORDS MANAGEMENT

The record copy of documents prepared and held by the department on and after July 1, 1990 should be maintained in the FY 91 files. This includes any accounts payable payments processed, as well as other FY 91 documents. It is suggested that department personnel review their records management procedures and file structures before July 1, 1990 in order to make changes that may be necessary to comply with the requirements of the program sponsored by this office. Please refer to MMARS Memos #63 and #72 for more information.

The responsibility for maintaining complete and accurate files of fiscal documents is a shared responsibility between this office and departments. If you require assistance in this area, please contact the Records Management Administrator, Kathleen O'Leary at 727-5000 (ext. 381) or Jim Roach (ext. 360).

MMARS LIAISONS: YOUR KEY TO KEEPING CURRENT ON MMARS EVENTS

It is crucial that each Department Head notifies the Office of the Comptroller of any changes in the department's MMARS Liaison. All MMARS communications are mailed to each department's MMARS liaison. If the Comptroller's mailing list is not updated, the department's

MMARS memos (including the updates to the FY 90 Closing and FY 91 Opening Instructions) may take longer to reach the appropriate individuals or be lost entirely. This can mean missing major cutoff dates or losing out on important training sessions. An update form has been included in the Appendix E for your convenience. If you have any questions related to updating MMARS Liaisons, contact Kerry Anderson (617) 727-5000 (ext. 355) or Nancy Mottola (ext. 384).

SECTION 4: REVENUE

REVENUE AND CASH

The recording of Cash Receipts in the proper fiscal year is extremely important for accurate financial statements. Departments should refer to the Closing Instructions for specific details.

Cash received at the department on or before June 30, 1990 must be deposited with the State Treasurer by the following dates in order to be posted as FY 90 Revenue.

CR - Cash Receipt	July 2, 1990
ER - Expenditure Refund	July 2, 1990
CB - Contract Backout	July 2, 1990
AR - Advance Return	July 2, 1990

FY 90 receipts received at the State Treasury on July 1, and 2, must be clearly marked as FY 90 or these receipts will be posted as FY 91 income. Since departments will be submitting receipts for two fiscal years for the first two days of July, they should mark in bold letters in the right hand corner of the document the correct fiscal year for which the revenue applies.

Departments should review their July FY 91 reports as soon as possible (466C-audit trail report) to confirm that Cash Receipts were posted to the correct fiscal year. Departments should not enter FY 90 CR's into MMARS after July 2nd. If a department needs to reconcile FY 90 Revenue with a CR entry after July 2nd, they should contact the Accounting Bureau at the Office of the Comptroller for details.

Departments are reminded that it is a requirement of law and good management practice to deposit all cash with the State Treasurer's Office daily.

RETAINED REVENUE ACCOUNTS

Certain Departments have the legislative authority to spend specific kinds of receipts (see Section 2C of the FY 90 General Appropriation Act). These departments must review their FY 91 ASTA and APR1 screens to confirm that the Retained Revenue accounts have been established by the Budget Bureau, as per the budget.

If the ASTA record has a "Receipt Option" of Y, then the APR1 screen should show actual dollar amounts in the Floor or Ceiling fields. If both floor and ceiling amounts are zero, revenues deposited will not update the account. Ceilings will be established when the General Appropriation Act has been passed.

The Budget Bureau and the Office of the Comptroller have developed the following procedures for encumbering in retained revenue accounts (type 01) when the amount to be encumbered exceeds the amount of revenue collected to date.

Departments will work with the Budget Bureau to arrive at the amount of revenue that an account can reasonably be expected to receive during the fiscal year. The Budget Bureau will process an AA transaction for Estimated Receipts which will post to the account's APR 1 screen. The amount of Estimated Receipts will not update the Obligation Ceiling Amount on APR2 but will be used as a guide by the Office of the Comptroller in approving an encumbrance when the Uncommitted Balance is less than the amount to be encumbered. It should be stressed that the MMARS logic for calculating Obligation Ceiling Amount in federal grants (type 04) does not apply to account type 01. Therefore, when

Estimated Receipt amount is posted to a retained revenue account, the decision by the Office of the Comptroller to accept an encumbrance will be based upon the following formula:

Estimated Receipts

(plus)	Spending Plan Amount
(less)	Obligations
	Payroll Hold Amount
	Pre-encumbered Amount
	Encumbered Amount
	Expended Amount
(equals)	Amount available to be committed

Again, since the system generated Uncommitted Balance which appears on the account's APR2 screen is based on actual year-to-date Restricted Receipt amount plus Spending Plan amount, it generally will be substantially less than the amount available to be committed. Rather, the amount available to be committed (above) will be calculated by the Office of the Comptroller who will honor encumbrances equal to or less than that amount.

Encumbrances in Retained Revenue accounts that exceed the amount of revenue collected to date should be forwarded with a letter requesting an override to the Procurement Unit for review (after estimated receipts has been updated).

If your department has questions regarding Retained Revenue Accounts, please contact the Accounting Bureau of the Office of the Comptroller, before a deposit is made to one of these accounts.

SECTION 5: ENCUMBRANCE MANAGEMENT

This section addresses encumbrance processing in FY 91. Highlighted are procedures that differ from or enhance the routine processing of encumbrance transactions. The MMARS Procedures Manual should be consulted for questions that are not addressed by these Opening Instructions. In addition, the MMARS Policy Manual should be reviewed to assure a clear understanding of the rules governing contract and lease activity, especially the situations in which OPENORDER is allowable.

FY 91 will be available for encumbering activity prior to the start of the fiscal year. FY 91 provisional obligation ceilings based on House 1 will be loaded into MMARS on May 10, using an "HA" transaction. Fund Department (FDEP) tables will have full allotment controls. Account types 01 (General Fund) and 04 (federal grants) will have full appropriation control while types 02 (bond funds) and 03 (trust funds) will be set at presence control. The system then will allow contractual pre-encumbrances and encumbrances to be processed up to the limits of House 1-based obligation ceilings for types 01 and 04, but will prevent any disbursement of funds prior to the passage of the General Appropriation Act and the allotment of funds by the Secretary of Administration and Finance (ANF). When the balance forward begins, FDEP controls on types 02 and 03 will be set at full control. This activity is being undertaken to provide ample time to data enter and process Service Contracts and Lease Orders. All department staff and vendors involved in this process must be made aware that these are not valid encumbrances until an appropriation bill, passed by the Legislature and signed by the Governor, is available to support them. Departments are responsible for ensuring that pre-encumbrances and encumbrances against the provisional obligation ceilings based on House 1 do not in aggregate exceed amounts which they reasonably anticipate to receive in the actual FY 91 General Appropriation Act (GAA). If departments imprudently pre-encumber in excess of the actual GAA amounts, they risk widespread encumbrance document rejection in July when the replacement of provisional House 1 amounts with actual GAA amounts cause negative uncommitted balances. Moreover, departments must make the appropriate corrections to encumbrances in July, IF the final appropriation account number is a different appropriation account number or IF the appropriated dollars are less than that defined in House 1 and the amount of encumbrance exceeds the appropriation. Departments are responsible for making all necessary corrections.

Departments may start processing pre-encumbrances and encumbrances on May 11, 1990 (DR, DS, RX, SR, SC, LO). Other encumbering transactions may also be entered, however, they will appear as rejected documents on the suspense file until the General Appropriation Act is passed. PD and PG documents that are needed for food and medicine will require special attention if they are entered prior to the loading of the General Appropriation Act, and should be forwarded to PGS for approval, attention Bob Burns. It is critical that the budget fiscal year be clearly marked on the documents.

As stated in the Closing Instructions, the last date to encumber without additional approval in FY 90 is June 1. Any encumbrance transaction needing approval after this date, whether an increase or a decrease will go to either PEND3 or PEND 5 status if the encumbrance is equal to or greater than \$500. Departments should direct FY 90 PGs, PDs, and POs to the Department of Procurement and General Services (PGS) for review and consideration. Encumbering transactions for FY 90 such as SCs, SMs, and LOs, should be sent to the Procurement Unit at the Office of the Comptroller for review and consideration.

SHELL CREATION OF CONTRACTS AND LEASES FOR FY 91

To facilitate the processing of FY 91 contract and lease transactions and to minimize the data entry load, MMARS will create contract or lease shells. FY 90 contracts and leases (SCs, and LOs) with dates of service ending June 30, 1990 or later that have not been set up for the contract/lease roll, will result in shells for FY 91 transactions. SR, SC and LO shells will

reside in the suspense file as FY 91 rejected documents. As a result of the implementation of the expenditure classification plan, many documents will be rejected because of changes to subsidiaries and object codes. Departments are required to add or change the appropriate information in order to get documents off of reject status. Refer to the Expenditure Classification Handbook in order to make the appropriate changes.

FY 91 SR and SC shells will not be created for FY 90 contracts that have object codes 755, 771, 773, 776, and 789, due to the implementation of the CC transaction. Refer to the section on the CC transaction for information on the processing of these transactions.

NOTE: The document ID of the shell will contain a "1" (one) as the first digit of the sequence number. Departments entering new documents must begin the document ID number with a "1" in FY 91. For example, SC OSC 1000 1000200.

SR shells will be created for vendor specific service contracts with an end date equal to June 30, 1990 for those object codes that require an SR pre-encumbrance. This includes most object codes in the CC, HH, JJ, and MM subsidiaries as well as object codes N01-N13 and R22. These SR shells will be created only for those Departments required by law to pre-encumber. Departments will have to enter the missing data to get the SR's onto OSRA for Secretariat approval. Refer to the following section on CREATION OF FY 91 CONTRACTS FOR MULTI/CROSS FISCAL YEARS for information regarding contracts which require an SR that has an end date beyond June 30, 1990.

Vendor specific Service Contracts (SC) for departments and object codes not requiring pre-encumbrances will create FY 91 SC shells. Service contracts with an end date beyond June 30, 1990 that have not been set up with multiple lines representing multiple fiscal years, will also result in FY 91 SC shells. Shells for OPENORDER SCs will not be created.

Lease orders with dates of service ending June 30, 1990 or later, that have not been set up for the lease roll, will create FY 91 rejected LO shells. Data Processing leases that reference DRs will not create FY 91 LO shells, unless they are part of the Tax Exempt Lease Purchase (TELP) program and the first 3 digits of the FY 90 documents are 0TE (Zero TE).

As stated previously, the document ID of the shell will contain a "1" as the first digit of the sequence number. Most fields will be brought forward from the FY 90 transaction with the exception of the ready payment fields in the SR's and SC's and the recurring payment fields in the LOs. Departments will need to enter data into the following fields on the SR or SC shells: document total, annualization, ready payment information, units, rate, line amount, and outyear obligation, if applicable. Departments may also need to update the subsidiary and the object code field as a result of the implementation of the new expenditure classification plan. Departments will need to enter the following fields into the LO shell: document total, name or city/town, line amount, years, out-year obligation and recurring payment information if applicable. The SC ready payment number and the LO recurring payment voucher number (8 digit number), must be a different number each fiscal year.

All required data must be completed by the department in order to get the SC or LO to Pend 5 status. In order to get approval, the original signed contract and the Service Request approval form 670A or 675A, (with all required signatures) should be forwarded to the Procurement Unit of the Office of the Comptroller. For departments exempt from pre-encumbering, an original approved SC input form should be submitted with the original signed contract. PEND 5 approval will NOT be given on an LO or an SC until a fully executed original contract and the appropriate supporting documentation is received by the Office of the Comptroller (see MMARS Memo #76, #116 as well as the Procedures Manual Sec. 5.3.9). Multi/cross fiscal year leases or contracts should already be on file.

Contractors to be paid through the PMIS or CAPS payroll system must have approved SCs in MMARS BEFORE their new contract numbers are entered on PMIS or CAPS in order to be paid. Therefore, it is essential that priority be given to those contracts that affect payroll. These contracts, as well as Ready Payment contracts, must be in CTR by June 30, 1990. The Comptroller's goal is to approve contracts within five (5) days of receiving complete documents however, the volume of activity in June may prevent us from achieving this goal. Early submission of contracts will assure that the required approvals are rendered in a timely manner. PMIS contractor payroll and ready payment contracts will be given priority because these payments are processed first.

The Office of the Comptroller has updated the contract transmittal forms for FY 91. In order to ensure timely contract approvals, all departments should forward the appropriate forms with their SR, SC, and SM documents to CTR for approval. The transmittal forms are located in Appendix F:

FY 91 Contractor Transmittal form for Secretariat Departments
(SUBSIDIARIES CC, HH, JJ)

FY 91 Contractor Transmittal form for Exempt Departments (SUBSIDIARIES CC, HH, JJ)

FY 91 Purchased Client/Program Services Transmittal form (SUBSIDIARY MM)

FY 91 Infrastructure: Construction and Maintenance Transmittal form (SUBSIDIARY NN)

CREATION OF FY 91 CONTRACTS FOR MULTI/CROSS FISCAL YEARS

Some contracts involve contractual arrangements that span multiple fiscal years or that cross fiscal years. MMARS allows the recording of the full obligation of these contracts while allowing the encumbrance to reflect current year obligation. Each vendor specific service contract should be completed so that each fiscal year commitment is recorded on a separate line. Such separation facilitates accurate financial reporting and increases the extent of contract roll activity that can be automated at year end. OPENORDER and Ready Payment contracts are not eligible for this program.

An example of a basic multi-year contract is presented below. This scenario may vary for multi-service or partially third party financed contracts.

- Line 01: (Represents current fiscal year obligation). Record data for FY 91 activity, list the dates of service (07 01 90 - 06 30 91 for full year contracts), units to be purchased, rate per unit, and line amount (the amount to be encumbered in FY 91), the outyear obligation must be equal to zero.
- Line 02: (Represents future fiscal year obligation). Record data for FY 92 activity, estimating the costs of year 2 if these are not known exactly. List the dates of service (07 01 91 - 06 30 92) for full year contracts, units equal to zero, actual rate per unit, actual outyear obligation (the amount expected to be encumbered in FY 92), and a line amount of zero.
- Line 03: (Represents future fiscal year obligation). Record data for FY 93 activity, estimating the costs of year 3 if these are not known exactly. List the dates of service (07 01 92 - 06 30 93 for full year contracts) units equal to zero, actual rate per unit, actual outyear (the amount expected to be encumbered in FY 93), and a line amount of zero.

This format should be continued until all future year obligations are entered. The line amount of the current fiscal year plus actual outyear obligations must equal the maximum obligation stated in the contract.

Documents which are set up according to these specifications are eligible for the SC out-year program. When the SC outyear program is run in mid June, the program will move the outyear obligation to the line amount, divide the rate into the line amount to determine the number of units purchased, and bring forward any future fiscal year lines.

As a result of the implementation of the new Expenditure Classification Plan, most contracts will roll into rejected or Pend 5 status. Documents rejecting because of subsidiary or object code changes should be corrected by departments. Departments do not have to resubmit a copy of the contracts as these contracts were filed with CTR in a previous year. In order to get these contracts encumbered in FY 91 departments should submit a memo listing the SC document ID's in PEND 5 status which need approval by CTR. A separate list for each subsidiary is required. These lists should be submitted to the Procurement Unit, ATTN: Paula Smith. Procurement Unit staff will verify that the appropriate subsidiary and object code have been chosen, that the contract is on file and then will approve the service contracts.

NOTE: Departments required by law to pre-encumber are reminded to submit a completed Contractor Review Form with each new service contract in the CC, HH, JJ and NN subsidiaries for object codes which are subject to Administrative Bulletin 88-1.

Departments entering into contracts for legal services must have the initial encumbrance as well as amendments which increase the maximum obligation signed by the Attorney General's Office. Contracts submitted without this authorization will be returned to the department.

CREATION OF FY 91 MULTI/CROSS FISCAL YEAR LEASES

Many lease agreements are long-term and therefore span more than one fiscal year. In FY 90 the LO conversion was implemented, moving the out-year obligation from the header to the line in order to allow more accurate recording of the full obligation of the lease. Departments were encouraged to set up their FY 90 LOs for multiple years to facilitate reporting and also to allow participation in the LO outyear program.

In FY 91 lease orders will not roll as approved documents as a result of the expenditure classification changes to subsidiary and object codes. The lease orders will appear as rejected documents on the suspense file. Departments should correct these documents and process them for approval according to information provided in the section on LEASE ORDERS.

An example of a lease that would participate in the LO outyear program for FY 91 is as follows:

Line 01: (Represents the current fiscal year obligation)
Record FY 91 accounting information, listing the terms of agreement (07 01 90 to 06 30 91), line amount, and an outyear obligation of zero. Since this is the first year of the lease, "1" should be entered into the "years" field.

Line 02: (Represents FY 92 obligation) Record FY 92 accounting information, the terms of agreement (07 01 91 to 06 30 92), a line amount equal to zero, and the actual out-year obligation for the second year of the lease (the amount to be encumbered in FY 92). The "years" field would be designated with a "2".

Line 03: (Represents FY 93 obligation) Record FY 93 accounting information, the terms of agreement (07 01 92 to 06 30 93, for full year leases), a line amount equal to zero, and the actual out-year obligation for the third year of the lease (the amount to be encumbered in FY 93). The "years" field would be designated with a "3".

This format should be continued until all future year obligations are entered. The line amount of the current fiscal year plus actual outyear obligations must equal the maximum obligation stated in the lease. All multi/cross fiscal year leases must be formatted in this manner.

CAPITAL LEASES

This section establishes guidelines for deciding whether a lease will be classified as a "capital lease" or an operating lease. It also clarifies use of the MMARS lease type codes for the remainder of FY 90 and for future fiscal years.

What is a capital lease? A capital lease is a contract agreement in which the risks and benefits of ownership are assumed by the lessee (the Commonwealth). In most cases, a capital lease resembles an installment purchase rather than a rental. For the Commonwealth, capital leases usually involve equipment, they seldom involve leased space. All tax-exempt lease-purchase arrangements are capital leases.

Three major criteria are used to identify a capital lease. A lease that meets one or more of these criteria, at its inception, is a capital lease:

1. The lease transfers ownership of the leased asset to the Commonwealth by the end of the lease term.
2. The lease terms and conditions contain a bargain purchase option. This allows the Commonwealth to buy the leased asset at an amount substantially less than its estimated value. Often the bargain purchase is at the end of the term.
3. The duration of the lease is 75% or more of the estimated economic life of the leased asset. Estimated economic life is the estimated useful life of the asset for the purpose for which it was intended, regardless of the term of the lease. For example, if a copier with an estimated economic life of 5 years were leased for 4 years, it would be considered a capital lease.

When a lease satisfies any one of these criteria, it is classified as a capital lease. Otherwise it is an operating lease. MMARS has special lease type (LTYP) codes to segregate capital leases of equipment from operating leases, as follows:

Operating Leases

H = EDP equipment;
I = Telecommunications equipment;
J = Other equipment;
K = Passenger vehicles; or
L = Non-passenger vehicles.

Capitalized Leases

R = EDP equipment;
S = Telecommunication equipment; or
T = Other equipment

Between now and May 11, 1990, departments should review their existing leases to determine that they are properly coded as either operating or capital; to facilitate GAAP reporting for FY 90 and to prepare the lease for the LO out year roll program.

MMARS also has the following codes for space leases:

Space Lease

A = Tenancy at will agreement;
B = Short term agreement (Less than or equal to one year);
C = Long-Term agreement (greater than one year); or
D = Garaging of state vehicles.

All of these codes are considered operating leases. If a space lease meets any of the criteria for a capital lease, contact John Haran ext. 274 for assistance. Also, please note that modular units are considered equipment, not space.

Departments must also code any new lease using these criteria. Further, departments are required to use the out-year obligation field of the LO to encumber future obligations. This means that each future fiscal year will be reflected on a separate line on the lease order as described in the previous section. For example, if the term of a lease is five years, the LO will include a line amount for the current year and four lines specifying the out-year obligations.

LEASE ORDERS

To facilitate the processing of FY 91 lease orders (LOs), new or continuing leases must be submitted to the Procurement Unit with the appropriate supporting documentation before PEND 5 approval can be applied and payments allowed. Supporting documentation for lease orders extending beyond June 30, 1990 is already on file in the Office of the Comptroller. Departments must add or change the appropriate information on the LO and submit the input forms with appropriate signatures. To facilitate the aproval process the FY 90 document ID should be listed in the upper right hand corner of the LO input form. Departments are required to process their FY 91 lease orders using the revised subsidiary and object code classification procedures outlined in the new Expenditure Classification Handbook. Departments are also required to set up their FY 91 multi/cross fiscal year LOs for multiple years to reflect the actual terms of the lease. This will allow the "system" to do automated lease reporting for GAAP in FY 91, and enable departments to participate in the roll of approved LO's in FY 92. Space leases set up for recurring payments should have a start date of August 1, 1990, an end date of July 2, 1991 and a frequency of "M" (for monthly).

NOTE: Refer to the previous section entitled CREATION OF FY 90 MULTI/CROSS FISCAL YEAR LEASES for specific information regarding how to set up LOs line by line to reflect the current and outyear obligations.

TAX EXEMPT LEASE-PURCHASE (TELP) LEASE ORDERS

In FY 91 departments will be responsible for correcting TELP LO shells. This includes verifying the document total, line amount, outyear obligation, lease type, and recurring payment information. See the previous section on capital leases for information on how to classify a capital lease. To establish the FY 91 Payment Voucher (PV) number, departments are required to utilize the four digit organization code, the letter designated below for each respective TELP vendor, followed by the three digit acceptance certificate number assigned by OMIS:

<u>VENDOR</u>	<u>VENDOR CODE</u>	<u>LETTER</u>
New England Merchant Funding Corp.	042535271 0001	D
Gelco Municipal Services "GE Fleet"	410793360 0002	E
CITICORP North America Inc.	132938684 0011	F
Chrysler Capital Public Finance Corp.	222574060 0001	G

For example, if the PV number in FY 90 for New England Merchant Funding Corp. was 1000B140, the number would be 1000D140 in FY 91. The PV start date for all new or continuing TELP LOs should be October 1, 1990 and the PV end date, July 2, 1991. Refer to the MMARS Procedures Manual for specific information regarding recurring payments and also to the Lease Type screen for the correct lease type. Please note: TELP leases are capital leases and therefore, should have lease types of R, S, or T. Recurring payment fields in the header and lines, including out year lines must be completed. The frequency field for TELP is Q for Quarterly. Failure to complete all recurring payment fields will stop the issuance of an automatic recurring payment.

SPACE LEASES

To ensure the timely processing of your space leases please complete the city/town field on the LO input form and attach a copy of DCP's forms III and IV. In FY 91 the object codes for space leases are G01 or G02.

OPENORDER ENCUMBRANCES

Most contractual arrangements involve vendor specific maximum obligation agreements. However, at times the number of contractors necessary to provide the service cannot be predicted. In other cases, multiple payments to many individuals are necessary. In such instances, the Office of the Comptroller may approve "OPENORDER" encumbrances. The use of all OPENORDER SCs must be approved by the Office of the Comptroller. Each OPENORDER SC must be accompanied by a request that specifies why a vendor specific encumbrance is inappropriate. The request form should explain the reasons for the request, estimate the number of contractors supported by the OPENORDER and specifically identify the service these vendors are providing to the department. Departments must include one sample copy of the contract that will be signed by each vendor. Every contractor that is paid

by an OPENORDER encumbrance must sign a contract, which should be filed at the department.

The Procurement Unit has designed a reporting mechanism to verify that the justification provided by departments on the Request For Approval of OPENORDER Encumbrance is consistent with the actual payments made against the OPENORDER. For example, a department completes the OPENORDER request form and states that the SC is necessary because the program requires multiple payments to many individuals. The Procurement Unit will determine whether this justification is supported by payments against the OPENORDER. If it is determined that an OPENORDER is not appropriate the department will be contacted.

Departments should be aware that in some cases contracts without maximum obligation should be encumbered as vendor specific rate agreements instead of OPENORDER service contracts. These rate agreements are appropriate when a rate has been established, however the exact number of hours cannot explicitly be determined. Departments should estimate the number of units (for example, hours) when encumbering. Service modifications to increase or decrease these encumbrances can be submitted to CTR without amendments in order to give departments more leeway in responding to established estimates. All modifications must be marked "rate agreement" to facilitate the approval process. Departments should utilize the Standard Terms and Conditions of the Commonwealth to encumber funds.

The Procurement Unit staff will review all requests for OPENORDER service contracts and service modifications. The updated "Request for Approval of OPENORDER Encumbrance (Appendix G) must be used in FY 91, or documents will be returned to departments.

A review of expenditures against OPENORDER SC's for FY 89 and FY 90 indicated many situations where a vendor specific contract would have been more appropriate (i.e., payments were routine and predictable). More stringent control will be exercised in FY 91 with the initial OPENORDER reviews as well as subsequent amendments. Only SC's which meet the criteria for OPENORDERS will be approved this year. All others will be returned to departments to be encumbered as vendor specific SC's.

Departments with questions on whether certain types of activities are appropriately encumbered with an OPENORDER SC should contact Michael Weld, 727-5000, ext. 414, or Brian Turnbull at ext. 237 prior to submitting the SC for approval.

CAPITAL CONSTRUCTION CONTRACT - CC TRANSACTION

The CC and CM transactions will be introduced in FY 91 for use in encumbering capital construction funds in account type 02 (bond funds). The CC will be used for original data entry of multi-year encumbrance transactions. A CC with an action of "M" (contract modification) will be used whenever maximum obligation amounts increase or decrease due to a modification of the total obligation or the dates of service change. These transactions will require PEND 5 approval. The CM will be used for routine modifications that will not require approval by CTR. The CM will handle line amount changes between the current year and future years that do not result in a change in the total obligation. The CM does not require PEND 5 approval.

NOTE:

Departments with contracts subject to Administrative Bulletin 88-1 are required to process an SR, regardless of the account type. Contracts in object codes N01-N13 will participate in the shell program. Departments should use these shells to encumber funds in FY 91 if they are subject to 88-1. Departments should not utilize the CC transaction if 88-1 applies to the encumbrance

The CC transaction will not require a pre-encumbrance. Contracts in the N01-N13 object codes which are in account type 02, however, are not subject to 88-1 will also roll into an FY 91 SC. Departments should delete these SC's from the suspense file and enter them as CCs in FY 91 if appropriate.

VENDOR TYPES

The vendor type table (VTYP) will be changed to incorporate new or updated descriptions of vendors and to delete unnecessary categories. The benefit of this change will be that the vendor type will now be used consistently regardless of the contract type and therefore will provide more accurate reporting. The vendor types that should be used from this date forward are as follows:

<u>TYPE</u>	<u>DESCRIPTION</u>
14	State Department (ISA only)
15	Government Entity (non-state)
25	Corporation/Partnership/Trust
27	OPENORDER - Individual
28	OPENORDER Corporation
31	Individual Full-Time
36	Individual Part-Time

The old vendor types will be deleted from the VTYP table after the accounts payable period. The Procurement Unit staff will adjust all encumbrances that do not follow this format.

CONTRACT PLANS

Instructions for submitting FY 91 contract plans will be issued by ANF in mid April. Careful preparation and timely submission and review of contract plans are essential to an orderly FY 91 opening process. Contracts to be encumbered in object codes in the CC, HH, JJ and NN subsidiaries that are subject to M.G.L. Chapter 29 §29A and Administrative Bulletin 88-1 must be included on the plan. Payment of contracted services for FY 91 cannot be made unless a contract plan has been approved and the contracts filed with the Office of the Comptroller. Contractors must not perform services in FY 91 until all approvals have been made. Departments exempt from the SR process need not file a contract plan with ANF but need to submit contracts to CTR. Their contracts become valid for payment once the Comptroller's Office applies PEND 5 approval.

SECTION 6: PAYROLL MANAGEMENT

PMIS ACCOUNT REGISTRATION

Departments are advised that the Forms 1 and 2 which have been used to register new accounts on MMARS and PMIS have been updated. A copy of the complete account registration forms with instructions is included in Appendix H at the end of the Opening Instructions. Departments can obtain additional copies of the account registration forms from Michael Weld of the Procurement and Payroll Bureau or use clean legible copies of the forms supplied in these instructions.

ACCOUNT DELETION, ADDITION, OR CONSOLIDATION

Some departments may be affected by an account deletion, addition or consolidation as part of the FY 91 General Appropriation Act. These departments must ensure the accuracy and comprehensiveness of all expenditure tracking during the transition period.

Special attention should be given when changes are made in the assignment of positions into new appropriation accounts as part of the general appropriation bill. The personnel positions reflect the old accounts until schedules are approved and changed by the Department of Personnel Administration (DPA) for PMIS payroll and until the new account is data-entered by CTR for CAPS payroll. Until these appropriation accounts in the position file are changed, old accounts will be charged with the payroll expenditures. It will be the department's responsibility to keep track of each account and reflect the respective payroll charges. Departments which have been advised that different appropriation accounts will be used in FY 91 should plan to maintain records or a tracking system which will match positions with appropriation accounts.

For those departments whose payroll appropriation(s) have changed, it will be necessary to take corrective action to insure that the proper appropriation accounts are charged in FY 91 pending DPA update of the position file. Therefore, the affected departments must prepare, enter and submit Expenditure Correction forms (EX) on a weekly basis to the Accounting Bureau of the Office of the Comptroller so that expenses can be transferred from the old accounts to the new accounts.

EXs involving salary expenses will not be approved unless there is evidence that authorized positions exist in the account receiving the expense.

The Office of the Comptroller will completely support any department affected in this manner. CTR will be sponsoring meetings with any department affected to support this process. Any department interested in scheduling such a meeting should contact Al Dente, Payroll Unit Manager.

Payroll Charges on PMIS - Each employee position in PMIS is assigned to a particular appropriation account. This account is brought forward into the payroll processing cycle prior to calculating an employee's weekly pay. The payroll charges are summarized by appropriation accounts and processed through the Labor Distribution System assuming the individual departments have posted a default payroll charge distribution on LDS. Afterwards, payroll (PY) transactions are generated and processed into MMARS through the PMIS/MMARS interface.

Payroll Charges on CAPS - Every employee is funded through a specific appropriation account number as part of the General Appropriation Act. This appropriation account number must be valid on both CAPS and MMARS prior to the processing of the monthly payroll. Departments should ensure that the correct appropriation, subsidiary, and object code is referenced when processing all CAPS payroll transactions. Payroll (PY) transactions are

generated and processed into MMARS through the CAPS/MMARS interface.

Payroll Default Accounts - For FY 91 payrolls, each department will have a new "Payroll Default Account." These accounts will be created by the Office of the Comptroller and the Budget Bureau as follows:

The FY 91 "Payroll Default Account" key on ASTA will be
FY91 DEPT: XXX APPR/ALLOC: XXX99999
XXX = Department Code

The only time an expenditure will appear on these accounts is when the payroll expenditure is unable to update the regular appropriation account. A PR transaction will appear on the weekly 335A report and the payroll default account will have a negative balance. PR transactions should be corrected and processed within five (5) days after they appear on the suspense file. This process is the responsibility of the department or the agency in multiple agency departments.

Payroll Rejects (PR Transaction) on PMIS and CAPS

Payroll Rejects (PR's) are a system generated payroll transaction. They are created after the processing of either the PMIS or CAPS employee payroll. Departments should monitor the suspense file to identify and correct all PR's on a weekly basis (PMIS) or monthly basis (CAPS). Departments should also note that PR's will post to the department's default account rather than to the appropriation to which it should have been charged. This in turn will understate a department's payroll expenditures on MMARS reports and the APR2 table.

The following examples are some of the more common reasons a payroll transaction would create a PR:

- 1) A position that is tied to an appropriation that no longer exists in MMARS due to the General Appropriation Act will create a PR.
- 2) Expense Budget does not exist or there are inadequate funds in the Expense Budget.
- 3) The department has not established an expense budget for the payroll appropriation/subsidiary and payroll org.
- 4) If the department chooses to do expense budgets at full control (full control is achieved via FDEP coding or a Y in the spending indicator on the EB transactions) there must be adequate funds in the expense budget.
- 5) If a department uses expense budgets and LDS, LDS must be updated for each employee and the appropriate expense budgets entered. LDS must be updated for new employees as soon as they are put on the payroll.
- 6) Retro pay does not go through LDS, if an expense budget does not exist for the payroll org, a PR will be created.

DOCUMENTATION OF SICK LEAVE BUY BACK AND VACATION IN LIEU

Departments which compensate a retiring employee for sick leave buy back and/or vacation in lieu or a terminated employee for vacation in lieu according to various authorities must document and submit the payment to the Payroll Unit of the Office of the Comptroller for

audit purposes. This documentation should be on a department's letterhead, signed by the department head or signatory designee, and include the following information:

SICK LEAVE BUY BACK

Sick Leave Hours Accrued

Authorized % Payment

Sick Leave Hours To Be Paid

Hourly Rate

Total Payment

Enabling Legislation or Collective
Bargaining Agreement

VACATION IN LIEU

Fiscal Year

Vacation Leave Accrued for FY

Vacation Leave to Be Paid

Hourly Rates

Total Payment

Enabling Legislation or Collective
Bargaining Agreement

BOND FUNDED APPROPRIATION REGULATIONS

Departments are notified that new regulations are in effect for all payroll appropriations which are funded through the issuance of bonds and are classified as capital accounts. A copy of the regulations pertaining to those accounts is included in Appendix I.

CONTRACTOR PAYROLL

FY 90 payroll charges for contractors end on June 30, 1990. Departments are reminded that there will be no "03" Accounts Payable Payroll. Please refer to the Closing Instructions for additional information on accounts payable payrolls.

The last "03" payroll for FY 90 will be run on the night of June 29, 1990 (CAPS) and July 2, 1990 (PMIS). Please refer to the PMIS/CAPS payroll processing due dates at the end of this section.

FY 91 Service Contracts (SC) that support Contractor Payrolls must be established with sufficient funds on both MMARS and PMIS prior to July 9, 1990, to be in place to allow FY 91 payments.

FY 91 Service Contracts (SC) that support Contractor Payroll must be established with sufficient funds on CAPS and MMARS prior to the processing of payroll on July 19, 1990.

OPENORDER ENCUMBRANCES

If a department has no alternative but to process an OPENORDER encumbrance to support its contractor payrolls, then it should enter the letter "V" instead of the letter "X" as part of the document ID number. The following is an example of how an FY 91 OPENORDER encumbrance should be identified:

SC ZZZ 1000 V150100

**PMIS AND CAPS PAYROLL PROCESSING DUE DATES
FY 90 CLOSING AND FY 91 OPENING**

DATES

PMIS FY 90 CLOSING

July 02, 1990	Final FY 90 "01" payroll processing covering the period of June 24-30.
July 05, 1990	Final FY 90 "01" payroll checks issued to employees covering the period of June 24-30.
July 02, 1990	Final FY 90 "03" contractor payroll run covering the period of June 24-30. FY 90 contractor services paid through PMIS must be included in the last payroll run.
July 05, 1990	Final FY 90 "03" payroll checks issued to contractors for services rendered June 24-30.

DATES

PMIS FY 91 OPENING

July 09, 1990	First FY 91 "AA" payroll processed for pay week July 01-07.
July 12, 1990*	First FY 91 "AA" payroll checks issued to employees for pay period July 01-07.
July 09, 1990	First FY 91 contractor payroll processed for services rendered on July 01-07.
July 12, 1990*	First FY 91 contractor payroll checks issued for services rendered on July 01-07.

NOTE: FY 91 has 365 days, therefore, at the beginning of budget FY 91 departments should have requested a budget to cover 365 days of payroll expenditures.

* Subject to appropriation

DATES

CAPS FY 90 CLOSING

June 21, 1990	Final FY 90 "01" payroll processing covering the period of June 01-30 for monthly earnings rate code employees and May 27, 1990 thru June 30, 1990 for weekly earnings rate code employees and "03" services May 20, 1990 thru June 23, 1990.
June 27, 1990	Final FY 90 "01" payroll checks issued to employees for June payrolls.
June 29, 1990	Final FY 90 "03" monthly contractor special payroll processed covering the period of June 24-30.
	NOTE: "03" contractor services on CAPS for the period of May 20-June 23 will be processed during the normal CAPS processing on June 21.
July 5, 1990	Final FY 90 "03" monthly contractor payroll checks issued for services rendered on June 24-30.

DATES

CAPS FY 91 OPENING

July 19, 1990	First FY 91 "AA" employees payroll processed covering the period of July 01-31, for monthly earnings rate code employees and July 01-28, for weekly earnings rate code employees.
July 25, 1990	First FY 90 "AA" employees checks issued to monthly payroll employees.
July 19, 1990	First FY 91 contractor monthly payroll covering the period of July 01-21.
July 25, 1990	First FY 91 contractor payroll checks issued for services rendered July 01-21.

NOTE: FY 91 has 365 days, therefore, at the beginning of budget FY 91 departments should have requested a budget to cover 365 days of payroll expenditures.

SECTION 7: ADVANCE MANAGEMENT

Request for Advances (RA) for FY 91 may be entered beginning June 25, 1990 in anticipation of passage of the General Appropriation Act. FY 91 RA documents ID's will begin with a 1 (one) following the organization's four digit code. These transactions will be in the suspense file in a "reject" status because of allotment control. The RA transactions will be processed (providing that all FY 90 advances are accounted for) upon loading the general appropriation and allotments into MMARS. It is essential that a pre-encumbrance and/or an encumbrance is in place to allow the processing of the RA. All RAs must have 91 as the budget fiscal year.

The uses of Advances are governed by the Office of the Comptroller and are covered in Chapter 5.5 of the Policy Manual and Chapter 5.6 of the Procedures Manual.

POLICY

- a. Refer to MMARS Policy Manual, Section 5.5.1 for specific purposes for which a Request for Advance may be submitted and for the accounting of the advance.
- b. Request for Advances must be attributed to a particular appropriation and subsidiary. The advance cannot exceed the encumbrances and pre-encumbrances for that account nor exceed the unexpended balance.
- c. All Requests for Advance must be signed by the department head or his/her designee and the original document submitted to the Pre-Audit/Payments Unit of the Office of the Comptroller no later than 12:00 PM (noon) of the Friday preceding the warrant run. RA approval is normally done on Fridays and Mondays. RA's approved on Monday(s) will appear on the warrant that is run that night.
- d. Limitations on the use of advance funds include the following:
 - (1) Payments can only be made to cover the purpose of the Request for Advance.
 - (2) Payments of salaries and wages must be in accordance with the regulations and rates of DPA and collective bargaining agreements.
 - (3) Advances cannot be used to cash checks.
 - (4) Prior year liabilities cannot be paid from a current year advance. (FY91 advances will not be used to pay for FY 90 expenses. FY 91 expenses cannot be paid from FY 90 advances).
- e. FY 91 Request for Advance will be approved if:
 - (1) FY 90 Advances are completely accounted for. If one appropriation has an outstanding FY 90 advance balance, all RAs for FY 91 will be held up for the department.
 - (2) An original signed Request for Advance Input Form with the Advance Justification Form (required only with the initial request) is submitted to CTR by Friday, 12:00 Noon in order to appear on the following week's warrant.

- (3) The purpose of the advance is appropriate. The purpose will be explained in the initial FY 91 request for advance for the appropriation /subsidiary and each RA modification submitted thereafter will provide the purpose in the comments field. The justification form must be typed and will be scrutinized by the Pre-audit/Payment Unit prior to approval. The fact that advances were approved for the same purposes in previous years doesn't automatically qualify the department to continue to receive advances. However, once the initial request has been approved subsequent increases will be approved and justification forms will not be required.

(SEE APPENDIX J:) REVISED ADVANCE JUSTIFICATION FORM

- (4) A valid dynacash bank account must be in the MMARS "DYNA" table for FY 91. All existing FY 90 dynacash bank accounts will be rolled over to FY 91 on May 3, 1990, so new accounts are needed only when an advance is being established for the first time. (Contact Miss Rosemary Waldron at the State Treasurer's Office to obtain new individual bank account number at 367-3900, ext. 576).
- (5) The advance type should properly represent the reason for the advance. Please refer to the "ATYP" table on MMARS to determine appropriate advance type.

f. Once FY 91 advances have been established, they should be accounted for on a monthly basis using the Expenditure of Advance (EA). All EA transactions must be signed by the Department Head or his/her designee. EAs should identify individual vendors for tax purposes. Departments which are not processing the Expenditure of Advances (EA) on a timely basis may cause a delay in the approval of the RA.

There are several key issues that need to be restated.

- 1) Departments are encouraged to process payment vouchers when reimbursing employees for travel. However, when advances are used for out of state or overnight travel, an EA transaction should be processed to account for the expenditure using the state employee's EMPL code.
- 2) Emergency Payroll Advances for state employees are used only when a department is not able to pay an employee through the PMIS or CAPS due to circumstances which are not the employee's fault. The proper procedure to account for payroll advances is as follows:
 - o Department issues advance checks for net wages earned via PMIS or CAPS to the employee.
 - o The employee deposits the payroll check into his/her bank account.
 - o The employee then writes a check reimbursing the advanced amount made payable to the Commonwealth of Massachusetts.
 - o Department deposits the employee's check into its local advance account.
 - o Department processes an Advance Refund (AR) transaction at the end of the Fiscal Year or earlier if no longer needed.

- 3) Advances should not be used for everyday postage needs. PVs should be used with the Vendor Code 046002284POMA for purchase of stamps and for the replenishment of postage meters. The name and address field of the PV must be filled in and data entered as follows:

Postmaster of _____
c/o Your Dept. Name
Address

The resulting check will be delivered directly to the department which can subsequently be used for the purchase of stamps or replenishment of postage meters.

NOTE: Departments doing business with RMR systems for electronic replenishment of postage meters should use the RMR systems vendor code 0604950500011.

For assistance in advance management, please call Cliff Burke at ext. 269.

SECTION 8: BILL PAYING

The goal of the Commonwealth is to pay its bills within thirty days. Late payments may have a direct effect on appropriations.

Under Chapter 611 of the Acts of 1987, departments have up to 45 days to pay bills before interest begins to accrue. The 45 day time frame commences upon "...receipt of a properly authorized, approved and submitted invoice for the amount of payment due." A bill is considered paid on the warrant date (the day of the Governor's Council Meeting - usually a Wednesday), unless otherwise stated in the contract.

Chapter 611 also states that payment of interest penalties must be financed from the department's appropriations "... for which the interest was incurred." You will note that in FY 91, every subsidiary except AA, BB, CC, PP, SS and TT have an object code for Late Penalty Interest.

We have noted during the Pre-audit and Post-audit of expenditures for office space rental that some departments are paying these charges in advance rather than in arrears as required by state law. State law requires that these charges be paid in arrears. Furthermore, the state's Standard Form Lease rental clause requires payment either 21 days after the end of the month for which rent is being paid or 21 days after the receipt of a properly completed invoice for the previous month's rent, whichever date is later. Departments are reminded to use the "Scheduled Payment Date" field on the Payment Voucher to schedule the release of rental payments for the appropriate date.

Report 602A is currently being sent to departments. It monitors the amount of time it takes a department to pay its bills, based on the PV date (date of receipt of the invoice) and the weekly warrant. The accuracy of this report relies upon the proper use of the PV date.

Please read thoroughly the regulations (815 CMR 4.00) governing the payment of late penalty interest. These regulations were issued by the Office of the Comptroller pursuant to Chapter 611 of the acts of 1987.

Please refer to MMARS Memo #102 for instructions on the proper use of the scheduled payment feature in MMARS.

APPENDIX A:**KEY DATES**

<u>DATE</u>	<u>EVENTS</u>
5/3	Reference Table Roll (Fiscal Year-Key)
5/10	Load House 1
5/11	Begin FY 91 Pre-encumbering and Encumbering (DR,DS,RX,SR,SC,LO)
5/15	Generate Shells (SR,SC,LO) Set FDEP at presence control for Appropriation types 02 & 03 Add organization and other cost accounting codes to tables for FY 91.
6/1	All Encumbrances >\$500 go to PEND 3 or PEND 5 Payments without encumbrances (NPO) not permitted.
6/15	All Encumbrances go to PEND 3 or PEND 5 Roll of out year obligations on contracts and leases
6/25	Begin entering Requests for Advance (RA) for FY 91
6/30	FY 91 Ready Payment Contracts filed with CTR Submit FY 91 contracts to CTR for PMIS and other contractors.
7/1	Lapse FY 90 Pre-encumbrances FY 90 Encumbrances cannot be initiated or increased FY 90 Accounts Payable Period begins
7/2	Final deposit to Treasurer for FY 90 Revenue; Cash Receipts, Expenditure Refunds, Contract Backouts and Advance Refunds (CR, ER, CB, and AR)
8/31	Lapse Encumbrances in continuing accounts End Date for FY 90 Accounts Payable period Last date to enter encumbrance on APEN for FY 90 Accounts Payable.
9/1	FY 90 Payments must reference encumbrances approved on APEN
10/31	End Date for Extended Accounts Payable Period

APPENDIX B: List of Resource and Assistance Persons in Office of the Comptroller
Telephone Number (617) 727-5000.

<u>Advance Management</u> <u>Contract Management</u>	Gabe Campos (ext 311) or Cliff Burke (ext 269) Brian Turnbull (ext. 237) for approval to use "OPENORDER" vendor code on SC's
<u>Expenditure Classification</u>	(revised Object Codes for FY 90 /91) - Brian Turnbull (ext 237)
<u>Federal Grants</u>	Sandra Greig (ext 238) for documentation requirements or Kathie Still (ext. 247)
<u>General Questions</u>	MMARS Helpline
<u>Intragovernmental Fiscal Transactions</u>	Accounting Bureau (ext 247) for information regarding Transactions.
<u>MMARS Liaison Updates</u>	Nancy Mottola (ext. 384)
<u>New Intragovernmental Agreements</u>	Information regarding New Agreements - Dave Marchand, ext 215
<u>Organization Codes and Expense Budgets</u>	Maggie Trudel (ext 245)
<u>Payroll Management</u>	Al Dente (ext 340), or members of the Payroll Unit/Helpline (ext. 331)
<u>Records Management</u>	Kathy O'Leary (ext. 381)
<u>Reports Questions/Issues</u>	Brian Coleman (ext. 275)
<u>Revenue</u>	Accounting Bureau (ext 247)
<u>Suspense File Management</u>	Kerry Anderson and members of the Operations Unit (ext 355)
<u>Tax Reporting</u> <u>1099 Forms</u> <u>W-2 Forms</u>	Kerry Anderson (ext. 355) Al Dente (ext. 340)
<u>TELP Lease Orders</u>	Jacqueline Kassis (ext 320)
<u>TELP Lease Payments</u>	Gabe Campos (ext 311)
<u>Vendor Administration</u>	Kerry Anderson (ext. 355)

TABLE REQUEST FORM

To: Operations Manager
Office of the Comptroller
One Ashburton Place
Boston, MA 02108

From: Name _____
Position _____
Department/Organization _____
Phone _____

Table to be Updated: _____

Type of Update Requested: (check one)
_____ Addition _____ Deletion _____ Change

Information to be Added, Deleted, Changed: _____

Justification:

Signatures _____
(Department Head or Authorized Designee)

----- (Bottom section for Comptroller's Use) -----

Logged In: Date _____ Log # _____
Received by Bureau Chief: Date ____/____/____ Name _____
Approved _____ Rejected _____

Table Updated: Yes _____ No _____ Date _____

Comments:

TO BE USED ONLY IF THERE ARE CHANGES.

ACCOUNTS PAYABLE CLERK
INFORMATION UPDATE SHEET

Dept/Org _____ Completed By: _____

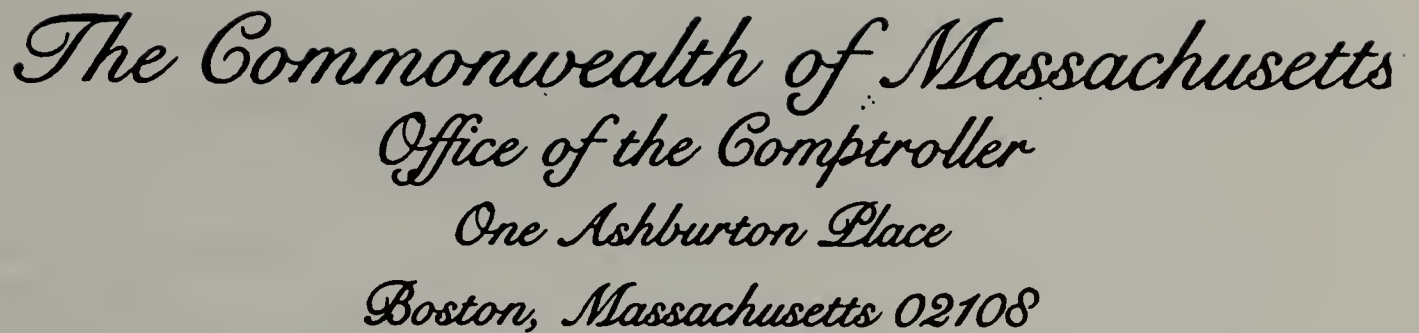
Address: _____ Phone Number: () _____

<u>ORGANIZATION</u>	<u>ACCOUNTS PAYABLE CLERK</u>	<u>PHONE NUMBER</u>	<u>EXT.</u>
_____	_____	() _____	_____
_____	_____	() _____	_____
_____	_____	() _____	_____
_____	_____	() _____	_____
_____	_____	() _____	_____
_____	_____	() _____	_____
_____	_____	() _____	_____
_____	_____	() _____	_____
_____	_____	() _____	_____
_____	_____	() _____	_____
_____	_____	() _____	_____
_____	_____	() _____	_____
_____	_____	() _____	_____
_____	_____	() _____	_____

For Treasury Use Only

Input Date _____ Operator _____

Review Date _____ By _____



(617) 727-5000

Please make any necessary corrections to the below information in order to assure that the Comptroller's database is complete & accurate. This is essential to your department receiving communications from the Office of the Comptroller in a timely manner. Please make copies of this form. Only one update can be submitted on a form.

DEPT HEAD	Records Coordinator	MMARS Security
CFO	PMIS Coordinator	CAPS Security
MMARS LIAISON	CAPS Liaison	PARIS Liaison
GAAP LIAISON	Legal Counsel	

Office of the Comptroller
Operations Unit (Attention: Nancy Mottola)
One Ashburton Place
Room 901
Boston, MA 02108

APPENDIX F:

1991.....1991.....1991.....1991.....1991.....1991.....1991.....1991.....1991.....

CONTRACTOR TRANSMITTAL FORM
SUBSIDIARIES: CC, HH, JJ
FISCAL YEAR 1991

TO: Office of the Comptroller
Procurement Unit
One Ashburton Place, 9th Floor
Boston, Massachusetts 02108

FROM: SECRETARIAT*

Contact Person Telephone No.

*Or Department if SC against approved OPENORDER SR

Attached please find # (up to ten) contracts for (dept. alpha code) that are ready for Comptroller approval. The executive Office has verified that the attached contracts meet the following specifications:

- * On the contract plan approved by the Executive Office of Administration and Finance and the correct number is on the document.
- * Approved on the Open Service Request Authorization (OSRA) table.
- * Complete with SR (670A) or SM (671A) signed and dated by the Department Head and Secretariat.
- * Complete with original contract or amendment signed and dated by the Department Head and Vendor (does not apply to OPENORDER service requests).

TRANSACTION IDs of ATTACHED CONTRACTS

	TRANS	DEPT	ORG	7 DIGIT ID NUMBER	APPROVED BY COMPTROLLERS' IN MMARS
1.					Yes___No___*N/A___
2.					Yes___No___*N/A___
3.					Yes___No___*N/A___
4.					Yes___No___*N/A___
5.					Yes___No___*N/A___
6.					Yes___No___*N/A___
7.					Yes___No___*N/A___
8.					Yes___No___*N/A___
9.					Yes___No___*N/A___
10.					Yes___No___*N/A___

*For OPENORDER SRs only

THIS TRANSMITTAL FORM MUST BE ON PINK PAPER

1991.....1991.....1991.....1991.....1991.....1991.....1991.....1991.....1991.....

CONTRACTOR TRANSMITTAL FORM
SUBSIDIARIES: CC, HH, JJ
FISCAL YEAR 1991
*EXEMPT DEPARTMENTS

TO: Office of the Comptroller
Procurement Unit
One Ashburton Place, 9th Floor
Boston, Massachusetts 02108

FROM: DEPARTMENT

Contact Person Telephone No.

Attached please find # (up to ten) contracts for (dept. alpha code) that are ready for Comptroller approval. The executive Office has verified that the attached contracts meet the following specifications:

- * Complete with SC or SM (671A) signed and dated by the Department Head.
- * Complete with original contract or amendment signed and dated by the Department Head and Vendor.

TRANSACTION IDs of ATTACHED CONTRACTS

TRANS	DEPT	ORG	7 DIGIT ID NUMBER	APPROVED BY COMPTROLLERS' IN MMARS
1.				Yes___No___
2.				Yes___No___
3.				Yes___No___
4.				Yes___No___
5.				Yes___No___
6.				Yes___No___
7.				Yes___No___
8.				Yes___No___
9.				Yes___No___
10.				Yes___No___

THIS TRANSMITTAL FORM MUST BE ON PINK PAPER

APPENDIX F: (CONT)

1991.....1991.....1991.....1991.....1991.....1991.....1991.....1991.....1991.....

PURCHASED CLIENT/PROGRAM SERVICES TRANSMITTAL FORM
SUBSIDIARY: MM
FISCAL YEAR 1991

TO: Office of the Comptroller
 Procurement Unit
 One Ashburton Place, 9th Floor
 Boston, Massachusetts 02108

FROM: _____
 DEPARTMENT

THRU: _____
 SECRETARIAT (if applicable)

 Contact Person

 Telephone No.

Attached please find # _____ (up to ten) contracts/amendments for _____ (dept. alpha code) that are ready for Comptroller approval. The attached documents meet the following specifications for MM contracts:

- * Complete with SR (675A) signed and dated by the Department Head and Secretariat, or
- * Complete with original contract signed and dated by the Department Head and Vendor, or
- * Complete with SM (671A) signed and dated by the Department Head and Secretariat with original contract amendments signed by the Department Head and the Provider.

TRANSACTION IDs of ATTACHED CONTRACTS

	TRANS	DEPT	ORG	7 DIGIT ID NUMBER	APPROVED BY COMPTROLLERS' IN MMARS
1.	_____	_____	_____	_____	Yes___No___*N/A___
2.	_____	_____	_____	_____	Yes___No___*N/A___
3.	_____	_____	_____	_____	Yes___No___*N/A___
4.	_____	_____	_____	_____	Yes___No___*N/A___
5.	_____	_____	_____	_____	Yes___No___*N/A___
6.	_____	_____	_____	_____	Yes___No___*N/A___
7.	_____	_____	_____	_____	Yes___No___*N/A___
8.	_____	_____	_____	_____	Yes___No___*N/A___
9.	_____	_____	_____	_____	Yes___No___*N/A___
10.	_____	_____	_____	_____	Yes___No___*N/A___

***PLEASE KEEP READY PAYMENT CONTRACTS SEPARATE.** Each RP contract must have the Ready Payment Form 3 fully executed and attached as a cover sheet to each ready payment contract prior to submission to the Comptroller for Pend 5 approval.

THIS TRANSMITTAL FORM MUST BE ON BLUE PAPER

APPENDIX F: (CONT)

1991.....1991.....1991.....1991.....1991.....1991.....1991.....1991.....1991.....1991.....1991.....

SUBSIDIARY: NN

INFRASTRUCTURE: Construction and Maintenance Transmittal Form
Fiscal Year 1991

TO: The Office of the State Comptroller
Procurement Unit
One Ashburton Place, Room 912
Boston, MA 02108

FROM: SECRETARIAT (if applicable)

Contact Person Telephone No.

Attached please find # (up to ten) contracts for (dept. alpha code) that are ready for Comptroller approval.

- * Approved on the Open Service Request Authorization (OSRA) table, where applicable
- * Complete with SR (670A) signed by the Department Head and Secretariat, where applicable.
- * Complete with original contract signed by Department Head and vendor (does not apply to OPENORDER service requests).

TRANSACTION IDs of ATTACHED CONTRACTS

	TRANS	DEPT	ORG	7 DIGIT ID NUMBER	APPROVED BY COMPTROLLERS' IN MMARS
1.					Yes___No___*N/A___
2.					Yes___No___*N/A___
3.					Yes___No___*N/A___
4.					Yes___No___*N/A___
5.					Yes___No___*N/A___
6.					Yes___No___*N/A___
7.					Yes___No___*N/A___
8.					Yes___No___*N/A___
9.					Yes___No___*N/A___
10.					Yes___No___*N/A___

*For OPENORDER SR(s) only

THIS TRANSMITTAL FORM MUST BE ON GREEN PAPER

APPENDIX G:

REQUEST FOR APPROVAL OF OPENORDER VENDOR CODE

This Request Must Be Attached To An SC Or SM Document
And Forwarded To:

Office of the Comptroller
One Ashburton Place, Room 912
Boston, Massachusetts 02108

Attn: Procurement and Payroll Bureau

Department Name

Complete Mailing Address

Request Comptroller approval to establish the following OPENORDER
Service Contract or amend a Service Contract:

According to the Office of the Comptroller, an OPENORDER
encumbrance is not considered a procurement method. OPENORDER is
a vendor code that allows payment to multiple contractors. It is
only an accounting treatment and does not take the place of a
procurement method.

- A. The department has or will sign a contract with every
vendor before payment is made against this OPENORDER
Transaction. A sample copy is attached.
- B. SC or SM Document ID: _____
 TRANS DEPT R/ORG NUMBER
- C. Object Code: _____ D. Dollar Amount: _____
- E. Estimated number of vendors to be paid off of this
OPENORDER: _____
- F. Explanation of Service to be provided: _____

Continue on other side, if necessary.

G. Justification explaining why an OPENORDER is necessary.

Department Authorized Signature

Telephone

 / /
Date

Approval of Office of the Comptroller

 / /
Date

REFERENCE FILE
DATA ENTRY FORMS

AGENCY NAME: _____

DEPARTMENT CODE: _____

EEO-F: _____ (EQUAL EMPLOYMENT OPPORTUNITY FUNCTION)

PSC: _____ (PERSONNEL STATISTICS CODE)

SIC: _____ (STANDARD INDUSTRIAL CODE)

DES LOC CODE: _____ (DIVISION OF EMPLOYMENT SECURITY CODE)

PLEASE NOTE:

FORM 1, 2, and 3 MUST BE SENT TO THE COMPTROLLER'S OFFICE,
MICHAEL WELD, FOR ENTRY ON MMARS AND PMIS.

ATTACHMENTS: FORM 1 - ACCOUNT NUMBER(S)
 FORM 2 - ACCOUNT REGISTRATION
 FORM 3 - DIVISION NUMBER(S)

FOR PMIS USE ONLY

DEPARTMENT NUMBER: _____

FORM 1 - ACCOUNT NUMBER(S)

Form 1 will be used to list each agency's account numbers, noting Federal and State accounts separately. For each account number (an account may be either an appropriation or an allocation of an appropriation) the agency must provide the following information:

EEO-F: A two digit code identifying the Equal Employment Opportunity Function Code. This code will be assigned by PMIS.

AGENCY #: The three-digit code currently assigned to an agency by the Comptroller's Office.

PAYORG: The four-digit organization code assigned by an agency and approved by the Comptroller's Office.

PSC: A four-digit code identifying the Personnel Statistics Code of the appropriation. This code will be assigned by PMIS.

TEXT: Name and purpose of the account as designated on the ASTA table (maximum 100 characters).

FORM 2 - ACCOUNT REGISTRATION

ACCOUNT ID: State - 01
Federal - 02
Trust - 03
Bond
(Capital) - 04

PLEASE NOTE: FORM 1 AND 2 MUST HAVE COMPTROLLER'S APPROVAL.
CONTACT - MICHAEL WELD @ 727-5000.

FORM 3 - DIVISION NUMBER(S)

Form 3 will be used to assign specific division numbers to a Payorg. These codes will be determined by the agency. Accuracy is important since paychecks and weekly timelogs are sorted by Division Number.

For each Division Number, the agency must give the following information:

DIVISION NUMBER:	The four-digit code used to designate specific location of each Payorg.
SIC:	A four-digit code, the Standard Industrial Code, used in reporting to the Federal Government. This code will be assigned by PMIS.
TEXT:	Location or description of division number reference.
AGENCY NUMBER:	The three-digit code assigned by the Comptroller.
PAYORG:	The four-digit code assigned by an agency and approved by the Comptroller's Office.
DES LOC CODE:	A three-digit code, Division of Employment Security Code, used in conjunction with the SIC Code in reporting to the Federal Government. This code will be assigned by PMIS.

FORM 1 - ACCOUNT NUMBER(S)

ACCOUNT NUMBER		EEO-F	TEXT
AGENCY#	PAYORG	PSC	

ACCOUNT NUMBER		EEO-F	TEXT
AGENCY#	PAYORG	PSC	

ACCOUNT NUMBER		EEO-F	TEXT
AGENCY#	PAYORG	PSC	

ACCOUNT NUMBER		EEO-F	TEXT
AGENCY#	PAYORG	PSC	

AGENCY SIGNATURE

COMPTROLLER'S APPROVAL

FORM 2 - ACCOUNT REGISTRATION

AGENCY NUMBER: _____

DEPARTMENT/PAYORG: _____

ACCOUNT NUMBER

CURRENT FY

ACCOUNT ID

CURRENT FY/FROM DATE

CURRENT FY/TO DATE

CURRENT FY/NUMBER OF PAYMENT WEEKS

NEXT FY/FROM DATE

NEXT FY/TO DATE

NEXT FY/NUMBER OF PAYMENT WEEKS

NEXT SUBSEQUENT FY/FROM DATE

NEXT SUBSEQUENT FY/TO DATE

NEXT SUBSEQUENT FY/NUMBER OF PAYMENT
WEEKS

FOR PMIS USE ONLY

DEPARTMENT NUMBER: _____

FORM 3 - DIVISION NUMBER(S)

DIVISION NUMBER		SIC	TEXT
_____		_____	_____
AGENCY#	PAYORG	DES LOC	_____
_____	_____	_____	_____

DIVISION NUMBER		SIC	TEXT
_____		_____	_____
AGENCY#	PAYORG	DES LOC	_____
_____	_____	_____	_____

DIVISION NUMBER		SIC	TEXT
_____		_____	_____
AGENCY#	PAYORG	DES LOC	_____
_____	_____	_____	_____

DIVISION NUMBER		SIC	TEXT
_____		_____	_____
AGENCY#	PAYORG	DES LOC	_____
_____	_____	_____	_____

DIVISION NUMBER		SIC	TEXT
_____		_____	_____
AGENCY#	PAYORG	DES LOC	_____
_____	_____	_____	_____

APPENDIX · I

OCT 4 4 1989



The Commonwealth of Massachusetts

Office of the Secretary of State

Regulation Filing *To be completed by filing agency*

CHAPTER NUMBER: 015CHAPTER TITLE: CAPITAL APPROPRIATION PAYROLLSAGENCY: OFFICE OF THE COMPTROLLER

SUMMARY OF REGULATION

State the general requirements and purposes of this regulation:

TO PROVIDE ALL DEPARTMENTS OF THE COMMONWEALTH WITH
RULES AND PROCEDURES TO GOVERN AUTHORIZED PAYROLL
EXPENDITURES TO CAPITAL APPROPRIATIONS

REGULATORY AUTHORITY: M.G.L. c. 7A; Acts of 1989, c. 240 s. 14AGENCY CONTACT: Martine M. Ortiz, Esq. PHONE: 727-5000ADDRESS: One Ashburton Place, Room 909 Boston MA 02108

Compliance with M.G.L. C.30A, and Promulgation and Attestation

EMERGENCY ADOPTION

If this regulation is adopted as an emergency regulation, state the nature of the emergency:

To ensure interim payment for bond fund employees

PRIOR NOTIFICATION AND/OR APPROVAL

If prior notification to and/or approval of the Governor, legislature or others was required, list each notification, approval and date, including notice to the local Government Advisory Commission:

PUBLIC REVIEW

Was notice of the hearing or comment period filed with the Secretary of State, published in appropriate newspapers and sent to persons to whom specific notice must be given at least 21 days prior to such hearing or comment period?

Yes ☒ Date of public hearing or comment period: September 21, 1989

FISCAL EFFECT

Estimate the fiscal effect on the public and private sectors:

For the first and second years: UNKNOWN

For the first five years: UNKNOWN

No fiscal effect: ☐

CODE OF MASSACHUSETTS REGULATIONS INDEX

List key subject entries that are relevant to this regulation:

PROMULGATION

State the action taken by this regulation and its effect on existing provisions of the Code of Massachusetts Regulations (CMR) to repeal, replace or amend. List by CMR number:

ATTESTATION

The regulation described herein and attached hereto is a true copy of the regulation adopted by this agency.

ATTEST:

[Signature]

Date: 4 October 1989

Signature

Publication

To be completed by the Regulations Division

MASSACHUSETTS REGISTER NUMBER: _____

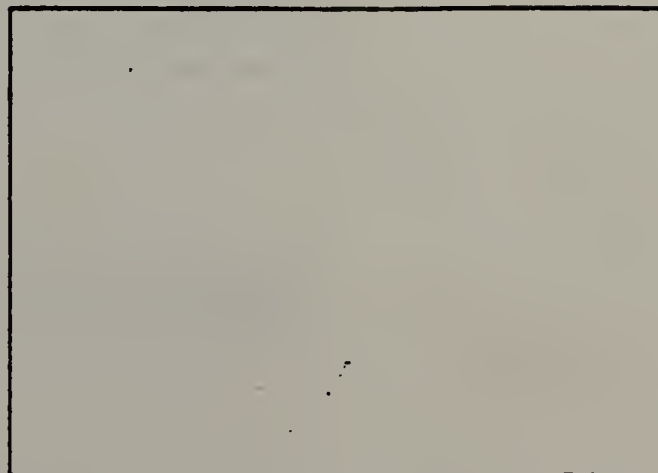
DATE: _____

EFFECTIVE DATE: _____

CODE OF MASSACHUSETTS REGULATIONS

Remove these pages:

Insert these pages:



815 CMR: OFFICE OF THE COMPTROLLER

815 CMR 7.00 CAPITAL APPROPRIATION PAYROLLS

Section

- 7.01: Application, Purpose, Scope and Authority
- 7.02: Definitions
- 7.03: General Provisions
- 7.04: Procedural Requirements

7.01: Application, Purpose, Scope and Authority

- (1) The purpose of this Regulation is to provide all departments of the Commonwealth with rules and procedures to govern authorized payroll expenses to capital appropriations (i.e. "capital outlay bond fund temporary positions).
- (2) This Regulation shall apply solely to those positions authorized under M.G.L. c. 29, s.27 and shall not be construed to apply to authorized expenditures pursuant to c. 29, s.29A.
- (3) This Regulation is intended to augment Administrative Bulletin 89-7 entitled "Capital Spending Controls and Procedures" enacted pursuant to M.G.L. c. 29, s.9G and M.G.L. c. 30, s.45.
- (4) This Regulation shall provide the necessary criteria for the establishment of capital outlay bond fund temporary positions by departments.
- (6) 815 CMR 7.00 et seq. is adopted under the authority of M.G.L. c. 7A, s.14 of Chapter 240 of the Acts of 1989.

7.02 Definitions

- (1) Account Registration - An application process whereby a form and materials registering a new account or enhancing an old account is forwarded to Payroll Management Information System (PMIS) by the Office of the Comptroller via the Department of Personnel Administration.
- (2) Capital Appropriation - Authorization by the Legislature for the expenditure of the proceeds from the sale of bonds or notes which obligate the Commonwealth to expend funds from designated accounts.
- (3) Capital Appropriation Payroll Position - A temporary position compensated by capital appropriations previously authorized and approved by the Legislature in anticipation of future personnel placement.
- (4) Department - Any department, office, board, commission or institution of the Executive and Judicial branches excluding

the Constitutional Offices, the Supreme Judicial Court, the Appeals Court and the Judicial Conduct Commission.

(5) Department of Personnel Administration (DPA) - A Department established pursuant to M.G.L. c. 30, c.31 whose responsibilities include classification of capital outlay bond fund temporary positions.

(6) Fiscal Year - The twelve month period beginning on July 1 and ending on June 30th of each year.

(7) General Appropriation Bill - A bill enacted annually by the legislature to set apart from public revenue a specific amount of money to be used by officers of the Commonwealth's departments for particular purposes to implement and maintain programs the legislature has established for the state fiscal year.

(8) Office of the Comptroller - A department established pursuant to M.G.L. c.7A whose responsibilities include the oversight of Capital Appropriation Payrolls.

(9) Secretary - The chief cabinet officer of an Executive Office established under M.G.L. c. 6A or c.7 or such other provisions of the General Laws and for the purpose of this Regulation shall include the Chancellor of the Board of Regents as Secretary for Higher Education.

7.03:

General Provisions

(1) Prior to the establishment of a capital appropriation payroll position, the requesting department shall submit an account registration to the Department of Personnel Administration requesting authorization for payment of individuals compensated thereunder.

(2) Where approval of the request requires a transfer of the named registrant from a "scheduled" position (i.e. 01/02 payroll) to a capital appropriation position, the department head shall provide written justification to the Cabinet Secretary and the Department of Personnel Administration certifying the registrant:

(a) possesses unique qualifications essential to the performance of the desired project, and

(b) (i) failure to appoint the particular employee will result in undue hardship to the funded project, or

(ii) appointment of the particular employee would serve to minimize the cost associated with the funded project.

(3) The department, as part of its account registration, shall submit the following documentation to the Department of Personnel Administration:

- (a) written authorization from the Secretary approving the establishment of an appointment in accordance with Administrative Bulletins 89-7 and 88-8;
 - (b) the eight digit capital appropriation to which the aforementioned payroll expense will be charged.
 - (c) a labor distribution format delineating the allowable payroll percentage charged to each eight digit capital appropriation account when the requested capital payroll position is to be funded by more than one authorized appropriation;
 - (d) a needs assessment describing the reason(s) for establishing new position(s) pursuant to M.G.L. c. 30, s.45.
 - (e) the initial capital appropriation and amendments thereto specifying the explicit legislative authorization to expend identifiable charges for funded positions.
 - (f) the funding source (fund type).
 - (g) the eight digit account (appropriation) number.
 - (h) the three digit payroll (department) number.
 - (i) the four digit payroll org. number.
 - (j) the department alpha code.
 - (k) a detailed letter which states the scope and purpose of bond funding.
 - (l) an application for position i.e. Form 30 for non management position requests or an MPQ/MPIF form for management position requests.
 - (m) other relevant information requested by Department of Personnel Administration.
- (4) No department may make payroll expenditures from capital appropriations until the department head or appointing authority certifies the following:
- (a) the capital appropriation authorized payroll expenses to be charge thereto;
 - (b) the individuals to be paid from the capital appropriation are performing work for projects or programs funded under said capital appropriations;
 - (c) all payroll requirements of the Commonwealth's payroll systems have been met;
 - (d) the payroll charges are authorized pursuant to the legislative authorization and reflect accurate expenses incurred for program management;

- (e) where applicable, an allowable percentage of expenses expressly designated by the Specified capital authorization as chargeable to the capital appropriation.

7.04

Procedural Requirements

- (1) The completed account registration form shall be submitted by the Department of Personnel Administration to the Payroll Unit Manager or his/her designee at the Office of the Comptroller.
- (2) Upon receipt of the completed account registration from the Department of Personnel Administration, the Payroll Unit Manager (or his/her designee) shall register the account within ten (10) days at the Office of the Comptroller.
- (3) Account registration by the Office of the Comptroller shall consist of verification of information submitted by the Department of Personnel Administration by the Payroll Unit Manager or his/her designee.

REGULATORY AUTHORITY

815 CMR 7.00: M.G.L. c. 7A; St. 1989, c. 240, s.14.

ADVANCE JUSTIFICATION FORM

FROM: _____ (Department Name) _____ (MMARS Dept Code)

TO: Office of the Comptroller
One Ashburton Place (Room 909)
Boston, MA 02108
Attention: Pre-audit/ Payment Unit

This justification is for the initial Request for Advance (RA). An Advance Justification Form for subsequent modifications for this appropriation, subsidiary and purpose for the current Fiscal Year will not be required. The attached initial Request for Advance Input Form is in conformance with the Comptroller's MMARS Policy and Procedures Manuals. This form must be typed.

Advance Type (From ATYP)	Purpose	Projected Annual Dollar Amount	Amount of This Request
_____	_____	_____	_____
_____	_____	_____	_____

Narrative Justification:

This Department will encumber sufficient funds in advance for this appropriation and this subsidiary for this Fiscal Year.

SC: _____ PO: _____

Signature of Dept Head (Do not use stamp) Telephone No. Date

